

Message Text

LIMITED OFFICIAL USE

PAGE 01 JIDDA 00320 151430Z POSS DUPE
ACTION NEA-10

INFO OCT-01 ISO-00 EB-08 COME-00 TRSE-00 CIAE-00
INR-07 NSAE-00 OPIC-03 L-03 H-01 /033 W
-----018646 151655Z /40
P 151315Z JAN 78
FM AMEMBASSY JIDDA
TO SECSTATE WASHDC PRIORITY 725
INFO USLO RIYADH PRIORITY
AMCONSUL DHAHRAN PRIORITY

LIMITED OFFICIAL USE JIDDA 0320

FOR NEA/ARP AND USDOC CAGNE

E.O. 11652: N/A
TAGS: BGEN, PINT, SA
SUBJECT: SAUDI DECREE ON "INFLUENCE PEDDLING"

REF: STATE 7530

1. THERE FOLLOWS THIRTEEN ARTICLES OF TEXT RECEIVED BY
EMBASSY ENTITLED "RELATION BETWEEN A FOREIGN CONTRACTOR AND
HIS AGENT." (HARWOOD ARTICLE AS RECEIVED BY EMBASSY REFERS
TO ONLY SIX ARTICLES, BUT ESSENTIALS OF TEXT RECEIVED MATCH
MAIN POINTS OF NEWSITEM.)

2. BEGIN TEXT:
ARTICLE 1: THIS ORDER GOVERNS BOTH THE SAUDI AGENT AND
THE FOREIGN CONTRACTOR WHO IS CONTRACTING WITH THE GOVERNMENT
OF SAUDI ARABIA. THIS REGULATION GOVERNS BOTH INDIVIDUALS
AND COMPANIES WHO ARE PERFORMING EXECUTIVE OR CONSULTATIVE
DUTIES.

ARTICLE 2: THIS ORDER APPLIES TO ALL AGREEMENTS TAKING
PLACE BETWEEN A FOREIGN CONTRACTOR AND THE SAUDI ARABIAN
GOVERNMENT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JIDDA 00320 151430Z POSS DUPE

ARTICLE 3: A FOREIGN CONTRACTOR WHO HAS NO SAUDI PART-
NER SHOULD HAVE A SAUDI AGENT AND THE CONTRACTOR IS NOT
PERMITTED TO HAVE A SAUDI AGENT OTHER THAN A SAUDI. ALSO, IF
A FOREIGN CONTRACTOR PERFORMS CONSULTATIVE DUTIES, THE
CONTRACTOR SHOULD NOMINATE A SAUDI CONSULTANT OFFICE AS
HIS AGENT.

ARTICLE 4: NO AGENT IS ALLOWED IN ARMAMENT AGREEMENTS

AND/OR OTHER SERVICES CONCERNING ARMAMENTS. NOR IS AN AGENT ALLOWED IN THE CASE OF A DIRECT AGREEMENT BETWEEN THE SAUDI ARABIAN GOVERNMENT AND FOREIGN GOVERNMENTS.

ARTICLE 5: AN AGENT SHOULD BE A SAUDI NATIONAL AND A RESIDENT IN SAUDI ARABIA POSSESSING A COMMERCIAL REGISTRATION WHICH ENTITLES HIM TO BE AN AGENT.

ARTICLE 6: A FOREIGN CONTRACTOR CAN HAVE MORE THAN ONE SAUDI AGENT IN CASE THE FOREIGN CONTRACTOR HAS VARIOUS ACTIVITIES. IN ADDITION, A SAUDI AGENT MAY ALSO BE AN AGENT FOR A NUMBER OF FOREIGN CONTRACTORS NOT EXCEEDING TEN CONTRACTORS.

ARTICLE 7: THERE SHOULD BE A WRITTEN AGREEMENT BETWEEN A SAUDI AGENT AND A FOREIGN CONTRACTOR WHICH AGREEMENT SHALL DEFINE THE OBLIGATIONS OF BOTH PARTIES.

ARTICLE 8: THE FOREIGN CONTRACTOR SHALL BE BOUND TO PAY FEES TO THE SAUDI AGENT FOR SERVICES RENDERED TO HIM BY THE AGENT. SUCH FEES SHALL BE FIXED BY AGREEMENT BETWEEN THEM, PROVIDED THAT SUCH FEES TO NOT EXCEED FIVE PERCENT OF THE TOTAL COST OF CONTRACT WHICH THE FOREIGN CONTRACTOR IS EXECUTING. THE FOREIGN CONTRACTOR SHALL SUBMIT WITH HIS TENDER A LETTER NOMINATING HIS AGENT AND GIVING THE AGENT'S ADDRESS. THIS LETTER SHALL BE AUTHENTICATED BY THE AGENT.

ARTICLE 9: THE SAUDI AGENT IS NOT ALLOWED TO ACT BOTH AS A CONSULTANT AGENT AND AN EXECUTIVE AGENT FOR ONE PROJECT. A SAUDI MAY BE A CONSULTANT FOR A FOREIGN CONTRACTOR AND AN EXECUTIVE AGENT FOR ANOTHER CONTRACTOR WHO IS DEALING WITH A DIFFERENT PROJECT.

LIMITED OFFICIAL USE

PAGE 03 JIDDA 00320 151430Z POSS DUPE

ING WITH A DIFFERENT PROJECT.

ARTICLE 10: IT IS NOT PERMISSIBLE THAT SUCH AN AGENCY BE A TOOL FOR EXPLOITATION OF INFLUENCE OR MEDIATION.

ARTICLE 11: WITHOUT PREJUDICE TO OTHER REGULATIONS, THE COMMERCIAL DISPUTES COMMITTEES ARE THE GOVERNMENT AGENCIES AUTHORIZED TO LOOK INTO ANY DISPUTES TAKING PLACE IN THE RELATIONS BETWEEN THE FOREIGN CONTRACTOR AND HIS AGENT.

ARTICLE 12: ANY VIOLATION OF THE PROVISIONS OF THIS REGULATION BY THE FOREIGN CONTRACTOR SHALL RESULT IN LOSS OF HIS RIGHT TO CARRY OUT HIS ACTIVITIES IN THE KINGDOM OF SAUDI ARABIA. SIMILARLY ANY VIOLATION OF THE PROVISIONS OF THESE REGULATIONS BY A SAUDI AGENT SHALL CAUSE WITHDRAWAL OF HIS COMMERCIAL REGISTRATION AND DEPRIVATION OF HIS RIGHT TO ACT AS AN AGENT.

ARTICLE 13: THIS ORDER SHALL BECOME VALID FROM DATE OF ITS PUBLICATION IN THE OFFICIAL GAZETTE.
WEST

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978JIDDA00320
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780022-0543
Format: TEL
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780162/aaaacaaq.tel
Line Count: 112
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 5da063e3-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 7530
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3772936
Secure: OPEN
Status: NATIVE
Subject: SAUDI DECREE ON \"INFLUENCE PEDDLING\"
TAGS: BGEN, PINT, SA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/5da063e3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014